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- TEMPLE, F. *Interest, gold and banking*. (London: Wilson. 1914. 6d.)
- TILLYARD, F. *Banking and negotiable instruments*. Fourth edition, revised and enlarged. (London: Black. 1914. 5s.)
- VALENTINE, W. H. *The copper coins of India. I. Bengal and the United Provinces*. (London: Spink. 1914. Pp. 128. 5s.)
- VISSEKING, G. *On Chinese currency. Preliminary remarks on the monetary and banking reform in China*. (Amsterdam: J. H. de Bussy. 1914. Pp. 299.)
- WARBURG, P. M. *Essays on banking reform in the United States*. Proceedings of the Academy of Political Science, IV, 4. (New York: Columbia University. 1914. Pp. iv, 228. \$1.50.)
- WEILAND, J. *Die Postscheckordnung vom 22. Mai 1914*. (Berlin: Guttentag. 1914. 1.50 M.)
- WETTER, E. *Die Lokal- und Mittelbanken der Schweiz*. (Zürich: Füssli. 1914. 4.80 M.)
- WHITE, H. *Money and banking*. Fifth edition. (Boston: Ginn. 1914. Pp. xiv, 541.)
Contains an additional chapter on the federal reserve system and an appendix reprinting the Federal Reserve act; also an appendix on commercial paper eligible for rediscount.
- WUTTIG, M. *Die Organisation des genossenschaftlichen Geldausgleichs*. (Jena: Fischer. 1914. 2.50 M.)
- Report of the departmental committee on agricultural credit in Ireland*. Cd. 7375. (London: Wyman. 1914. Pp. 407. 4s. 8d.)
- Les grandes banques d'émission*. (Paris: Alcan. 1914. Pp. 131. 4 fr.)

Public Finance, Taxation, and Tariff

Taxation and the Distribution of Wealth. Studies in the Economic, Ethical, and Practical Relations of Fiscal Systems to Social Organizations. By FREDERIC MATHEWS. (Garden City, New York: Doubleday, Page and Company. 1914. Pp. xiii, 680. \$2.50.)

The somewhat extensive field of knowledge reviewed by the author may be judged from the five general divisions of the work: Protection, Taxation, The Natural Tax, Progress, and Politics. Not more than one half of the book deals, except in the most remote and indirect way, with what is generally understood as the subject of taxation in its relation to the important problem of wealth distribution. A large amount of space is given to philosophy and religion.

The purpose of this broad philosophical presentation is thus stated:

These three fields (political administration, the science of nature, and religion) have been reviewed with the purpose of discovering their relation to each other. The conclusion suggests that ethical and rational considerations support commercial and industrial freedom as the most advantageous system of human relations, national and international (p. 662).

The pessimism of the author, however, is indicated by his recognition of the "difficulty" if not the "impossibility" of bringing about such relations. "The real problem," says Mr. Mathews, "is, in fact, so difficult that any solution may be scarcely worth contemplating" (p. 660). We are inclined to sympathize with this judgment; for in order simply to outline, much less solve, so vast a problem would require a series of volumes on the history of social philosophy.

Passing from the general to the specific, it should first of all be noted that the author regards indirect taxation as wasteful, expensive, and unjust.

This form of taxation, in which contribution is levied upon the necessities of life, is universal today, and forms what might be called, approximately, an inversely progressive income tax; that is, a tax increasing as man's poverty, and decreasing relatively to his wealth (p. 139).

Mr. Mathews, however, is not content with this general statement of a well-known truth, but endeavors to hold indirect taxes responsible for practically all the ills of modern society. We may note the following:

Practical politics lives upon indirect taxes, and indirect taxes produce nothing but revolutionary rings. The greatest revolutionary forces are the prime ministers, the parliaments, and the legislative assemblies at present in power (p. 658).

Needless to say, taxation in all its forms represents only one of the numerous complex elements that make up the interesting and elusive web of "practical politics."

In the second place it appears that the author is not impressed with the works of modern writers on public finance. Nothing is said regarding the publications of fiscal authorities like Wagner and Cohn in Germany, Leroy Beaulieu in France, Bastable in Great Britain, and Adams, Bullock, Plehn, and Seligman in the United States. The chapter on General Principles of Taxation (pp. 123-125) includes, first, the familiar statement of classical economics that all private revenue may be resolved into rent, wages, and profits; and, second, a partial quotation of the four

canons of taxation drawn up by Adam Smith in *The Wealth of Nations*.

The third and most important point in the work is the author's doctrine of "the natural tax," which is a part of his general theory of so-called "natural economics." Rent, wages, and profits make up the total private revenue from which social revenue must be derived. Indirect taxes are paid, in the main, out of wages and profits, and thus prevent the normal and natural progress of economic society. This unfortunate burden may be removed by passing through a period of transition from the present order of things to a new economic society in which all social revenue is derived from so-called ground-rent. Ground-rents are defined as "the annual value of the unimproved land" (p. 179) created by society and should therefore belong to society.

A natural tax on ground-rent is advocated because in this way "no burden is placed on any class as a productive factor. The burden, on the contrary, is borne by society as a whole, after each class has received just remuneration for its productive activities" (p. 296). The sources of public revenue in order of their equity and economy are: first, ground-rents; second, rent of land and improvements combined; third, rent of improvements; fourth, direct taxes in any form not included above, such as inheritance and income taxes; fifth, indirect taxes for revenue; and sixth, indirect protective taxes.

The author's statement of the arguments for and against protection is in the main correct. It is no longer necessary to disprove the bullionist conception of national wealth or the old balance-of-trade doctrine. The statistical estimate that "60 per cent of total agricultural capital is represented by the value of land" (p. 185) should be supported by a more careful analysis of facts and conditions before the conclusion is reached that in 1890 all national and local taxes in the United States would absorb only 44½ per cent of ground-rents. Finally it is to be regretted that Mr. Mathews did not review the single tax literature of the present day.

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British Budgets 1887-88 to 1912-13. By BERNARD MALLET.
(London: Macmillan and Company. 1913. Pp. xxiv, 511.
\$3.25.)

Beginning where Sydney Buxton's *Finance and Politics* left off,